

**SECTION M**  
**EVALUATION FACTORS FOR AWARD**

**M.1 52.217-5 EVALUATION OF OPTIONS (JUL 1990)**

(Reference 17.208(c))

Except when it is determined in accordance with FAR 17.206(b) not to be in the Government's best interests, the Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. Evaluation of options will not obligate the Government to exercise the option(s).

(End of provision)

**M-2 Basis of Evaluation**

**M-2.1. General**

M-2.1.1. This is a competitive source selection and will be conducted in accordance with the Federal Acquisition Regulation (FAR) and applicable supplements. The Government has established a Source Selection Evaluation Board (SSEB) to evaluate proposals submitted in response to this Request for Proposal (RFP). Proposals will be evaluated by the SSEB using the evaluation factors and subfactors identified below. The source selected from this process will be based on the proposal representing the best overall value to the Government.

M-2.1.2. Proposals which are unrealistic in terms of technical capability or are unrealistically high or low in price will be deemed reflective of an inherent lack of technical competence or indicative of a failure to comprehend the proposed contractual requirements and will be rejected.

**M-2.2. Evaluation Approach**

The Government will evaluate:

M-2.2.1. The extent to which the proposal exhibits a clear understanding of the work requirements and the means required to fulfill the requirements.

M-2.2.2. The extent to which the proposal demonstrates an ability to meet or exceed the requirements defined in the RFP and the quality of service which is likely to result from implementation of an offerors' proposed methods.

M-2.2.3. Feasibility of performing all RFP requirements within the total price proposed.

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**M-3. Evaluation Factors**

Evaluation factors and subfactors are:

M-3.1. Factor 1 - Technical Merit (includes proposal risk)

Subfactor 1 - Claims Processing.

Subfactor 2 - Beneficiary Satisfaction.

Subfactor 3 - Cost Effective Management Approach

Subfactor 4 - Transition In.

Subfactor 5 - Data Access.

M-3.2. Factor 2 – Past Performance

M-3.3. Factor 3 – Price

**M-4. Evaluation Factor Relative Values**

M-4.1. All evaluation factors are weighted equally. The subfactors under the Technical Factor, are weighted equally. All evaluation factors other than price, when combined, are significantly more important than price.

M-4.2. Offerors should be aware that if competing proposals are determined essentially equal in terms of non-price factors, the Government may determine that the best value decision is the lowest priced offer. The Government may make tradeoffs between the technical approach, past performance and price when determining which offer constitutes the best value to the Government. This tradeoff process may result in an award to other than the low priced offer or other than the proposal with the highest non-price factor rating.

**M-5. Evaluation of Technical Merit**

M-5.1. Technical Merit (includes proposal risk - proposal risk relates to the identification and assessment of the risks associated with an offeror's proposed approach to performing the requirements of the prospective contract. Proposal risk may be associated with a particular approach, or proposed process, as it relates to the successful achievement of the Government's requirements or the degree to which the Government must expend resources to monitor or manage the risk to avoid unsuccessful performance. Evaluation of proposal risk will take into account both the oral and written portions of the proposal. Proposal risk will be evaluated at the Factor level.) Each technical proposal will be evaluated according to the evaluation factors and subfactors stated herein. Failure to address any of the specified technical subfactor requirements will be considered a significant weakness. Proposals will be evaluated on the basis of how well an offeror's proposed procedures, methods, and delivery of services meet or exceed the Government's minimum requirement. Where the Government has not specified a minimum requirement, the Government will evaluate the

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offeror's approach. The Government will consider offers that commit to higher performance for any requirement, if the offeror clearly describes the added benefit to the Government. In determining benefit to the Government, evaluators will consider only benefits that accrue to the Government, providers, or beneficiaries. The Government reserves the sole right to determine whether a purportedly superior proposed approach or process represents a bona fide enhancement. Each proposal will be evaluated separately and will be evaluated solely on its own merits.

**M-5.1.1. Factor 1 – Technical Merit. Subfactor 1. Claims Processing.**

Claims Processing will be evaluated on the effectiveness of the approach for providing timely and accurate processing of TRICARE claims for medical care rendered within the fifty United States and the District of Columbia to dual eligible Medicare/TRICARE beneficiaries. This will include compliance with the development, processing, medical review and data record submission requirements of the TRICARE Operations, Policy, Reimbursement and Systems Manuals

**M-5.1.2. Factor 1 – Technical Merit. Subfactor 2. Beneficiary Satisfaction.**

Beneficiary Satisfaction will be evaluated on the basis of the offeror's ability to establish and maintain beneficiary satisfaction at the highest level possible throughout the period of performance, through the delivery of customer friendly program services. The Government will evaluate customer service modes of access, staffing, quality monitoring, proposed methods of measuring satisfaction and the standards and measurement approaches proposed, as well as the offeror's commitment to modify customer service approaches, as necessary, to maintain the required level of service.

**M-5.1.3. Factor 1 – Technical Merit. Subfactor 3. Cost-Effective Management Approach**

Management Approach will be evaluated by considering whether the offeror is proposing a cost-effective management approach to provide the necessary administrative, management, and customer support services, including appropriate staffing and incorporating commercial practices when practicable. This evaluation will include workflow integration, organizational structure, lines of authority, decision points/persons, key staff qualifications, justified staffing model for each activity (including staffing levels), training, availability and content of documented process, procedures, instructions, span of control, subcontractor management, performance reporting and monitoring, automated data systems support, corporate oversight, and controls. Internal quality management and improvement programs, interfaces and integration with TMA and other TRICARE contractors will also be evaluated.

**M-5.1.4. Factor 1 – Technical Merit. Subfactor 4. Transition In.**

Transition In will be evaluated by considering the offeror's approach to implementing the TRICARE Dual Eligible Fiscal Intermediary Contract in a manner that ensures that all aspects of the program are fully operational according to the requirements of the prospective contract to include transitional activities. The offeror's comprehensive implementation plans and proposed approach to minimizing disruption to beneficiaries, providers and the MTFs, the timeline for reaching crossover agreements with Medicare carriers and fiscal intermediaries, and the proposed process for start-up training, documentation and user support products for data access will be evaluated.

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**M-5.1.5. Factor 1 – Technical Merit. Subfactor 5. Data Access.**

Access to data will be evaluated by considering the ease with which the offeror provides access, the breadth and depth of information/data available, system compliance with the statutory, regulatory and other DoD requirements cited in Section C., commitment to provide access to Government personnel as required in Section C., and the training and on-going support proposed by the offeror. Proposals that do not include on-line, real-time access to data will be considered unacceptable.

**M-6. Evaluation of Past Performance**

M-6.1. Past performance will be evaluated utilizing the information obtained from past performance documentation furnished with the proposal and information obtained from other sources. Assessing an offeror's past performance is the Government's method of evaluating the credibility of an offeror's proposal and their capability to meet performance requirements.

M-6.2. The Government will evaluate past performance as it relates to fulfilling the functional requirements of all elements in Section C of this request for proposals (RFP) and the extent to which the offeror's evaluated past performance demonstrates compliance with the requirements of FAR 52.219-8, Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns and FAR 52.219-9, Utilization of Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan. The outcome is to determine a confidence level in an offeror's ability to successfully perform all requirements. An offeror's description of their past performance, the reports and findings described below, the references provided, including appraisals completed by the references, and those developed by the Government, will be used to develop a performance confidence level. Providing references that cannot be contacted by the Government may have an adverse impact on the past performance evaluation of an offeror.

M-6.3. If an offeror has no past performance history relating to the requirements stipulated in this RFP, the offeror's past performance rating will be neutral and will not be evaluated favorably or unfavorably. This rating is neither negative nor positive. Neutral is merely indicative of a lack of prior performance in the area of the requirements as outlined in this RFP.

M-6.3.1. If an offeror submits applicable past performance information from a predecessor company or from a partner or consortium member, this information will be considered in rendering a performance confidence level rating. This rating will be based on the amount of past performance, its applicability to the requirements of this RFP, and the amount of control the partner or consortium member had in the daily operations of the offeror.

M-6.3.2. The Government will also utilize their own records relating to predecessor companies, partners, or consortium members where applicable and relevant. The Government will consider this information in rendering a performance confidence level rating. Irrespective of whether the past performance data relates to a predecessor company, partner, or consortium member, the Government may still render a performance confidence level of neutral if convincing and relevant past performance information is not available.

M-6.3.3. If the foregoing information is not available, the Government may use relevant past performance information of subcontractors with a significant functional role in performing the

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prospective contract. If the subcontractor(s) does(do) not have relevant past performance information, a performance confidence level of neutral will be assessed.

**M-7. Evaluation of Price**

M-7.1 The Government will calculate a total evaluated price for contract award purposes by summing the evaluated prices for each contract period, with the exception of the transition out effort. The highest proposed price for transition out services will be included in the total evaluated price. All proposed prices shall be evaluated for unbalanced pricing. Evaluation of individual proposed prices will be accomplished as detailed below.

M-7.2 The proposed transition-in price and all transition-out prices will be evaluated for reasonableness.

M-7.3 The evaluated price for the claims processing effort will be calculated by extending the offeror's proposed claim rate for each category (electronic and paper) by the Government's claims volume estimates for each option period, provided in Section B. The proposed claim rates will be evaluated for reasonableness. The supporting cost information, will be analyzed for cost realism. Results of this analysis will be used to assess the offeror's proposal risk.

M-7.4 Administration. The evaluated price for the Administration effort will be calculated by totaling the fixed price for all five option periods. The total price for each option period will be the monthly price extended out for the entire option period. The proposed prices will be evaluated for reasonableness. The supporting cost information will be analyzed for cost realism. Results of this analysis will be used to assess the offeror's proposal risk.